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# Introduction: Social Policy in the Devolved Scotland: Towards a Scottish Welfare State?

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## Introduction

Ten years have passed since devolution was implemented for Scotland, Wales and Northern Ireland. This anniversary is worthy of note for all scholars of UK social welfare, not just those with a specialist interest in political reform or the 'Celtic' nations, because reflection on the first decade of devolution inspires a rethink of some of the basic working assumptions of social policy analysis (see below, also Mooney *et al.*, 2006), for example the extent to which the notion of a UK welfare state remains meaningful (cf. McEwen and Parry, 2005). This themed section<sup>1</sup> provides an opportunity to consider the impact of devolution on broader understandings of polity, policy and practice as well as pointing to further possible divergences in and across the UK. These are explored in relation to key areas of social welfare intervention in Scotland, focussing particularly on poverty, inequality and social justice; immigration and the experiences of labour migrants in rural areas; the use of private finance; key literature and useful sources.

## The significance of devolution for UK social policy analysis

The advent of devolution challenges received wisdom for two main reasons. Firstly, it reveals the extent of pre-existing, often unacknowledged, differences between England, Scotland, Wales and Northern Ireland in relation to their experiences of social problems and the organisation of policy responses to them (Stewart, 2004). This recognition calls into question the perception of the UK as a highly centralised unitary state and draws attention to the finer detail of welfare provision, allowing for an appreciation of the varying degrees of autonomy in the history and development of intervention in fields such as social security, housing, education, health and social services (Mooney and Poole, 2004; Mooney and Scott, 2005, also see Viebrock in this issue). Secondly, devolution opens up some possibilities for the creation of new welfare settlements, achieved through fresh, potentially more pluralist and participatory, political and institutional formations. Investigation of the realities of policy design and implementation in the new 'laboratories' is an end in itself, but in addition to gaining policy-specific insights, there are opportunities for in-depth comparisons between multiple levels of government within and beyond the UK (cf. Béland and Lecours, 2008; McEwen and Moreno, 2005). The development of understandings of the meaning and significance of devolution and decentralisation for the UK as a whole and for the constituent countries, not least of all England, is a work in progress. However, it has already become clear that there are lessons to be learned about

how policies are shaped and constrained by ideological and political factors, for example, the cohesive cross-party preference for market-based values (see Scott and Mooney, 2009 in this issue).

### **Social policy in devolved Scotland**

In the early years of devolution in Scotland, there were high hopes that the new governance arrangements might 'deliver Scottish solutions for Scottish problems' (see Mooney and Scott, 2005; Stewart, 2004), particularly in generating more progressive social policies, which might then offer inspiration for other parts of the UK. The extent to which devolution has actually led to the development of radically new policies – and a greater level of policy divergence, as well as differences in practice and implementation – is not surprisingly the subject of considerable attention and argument. This focus, combined with revelations from recent international financial events and economic trends, leads to questions over the extent to which 'local solutions' are possible when the causes of social problems are located at a national, supra-national or global level.

As devolution is best understood as a process, as opposed to a one-off event in 1999, so social policy commentators and researchers are increasingly aware that our understanding of devolution is also developing, opening-up a range of issues that are central to the analysis of the scope and direction of social welfare across the UK today. This is reflected, for example – and here we only highlight some of the concerns that are central to current debates – in renewed interest in territorial justice, with questions of solidarity and citizenship on a UK basis; in welfare entitlements, with questions of public service delivery and practice in different administrations; and with a relatively recent but growing interest in the complex entanglements between social welfare and nationalism, national identity and nation-building. This has been given greater impetus, of course, following the election of a minority Scottish National Party-led Government in Edinburgh at the May 2007 Scottish elections. For the first time since 1999, a devolved government has a different governing party in contrast with the party governing from Westminster, opening-up the potential for possible future policy divergences.

In different ways, social policy researchers have looked to other disciplines to help take forward understandings of these and other issues. Political science, human geography, sociology and political economy have all contributed to varying degrees. However, some of the most important and helpful insights have come from other areas of social policy: the tools of comparative social policy analysis have been applied to UK devolution; there is an increasing interest in debates around transnationalism (see Yeates, 2008) and social welfare making – both outside, within and across the UK and longer-held interests with questions of welfare practice in small countries have been brought 'home'.

The focus of this themed section is on a number of key developments in Scotland. Scotland has been to the fore in discussions of devolution in the UK, not least reflecting that particular range of powers available to the Scottish Parliament in Edinburgh, but also that it is 'Scotland' and New Labour's concerns with the direction of Scottish society that were the driving forces behind the devolution settlement of 1998. For New Labour, devolution would stop what was perceived as a steady drift to Scottish independence, halting the SNP in its tracks. For the SNP, conversely, devolution was but a stepping-stone to independence. That this constitutional settlement could generate two so starkly opposing positions betrays the controversy that lies at the centre of devolution. Predicting

the likely future direction of Scotland is outside the scope of this section. Around one-third of Scots are in favour of independence but many more favour greater scope for policy making in Edinburgh – that is, in other words, ‘more devolution’. Such demands have been driven in no small part by arguments surrounding policy areas that were outside the scope of the 1998 devolution settlement. Surprisingly, perhaps, these include immigration policy with demands voiced for greater ‘Scottish’ input or control over such as it applies to Scotland (see Adams, 2009; Settle and Watt, 2009). Such issues help to shape the context around the experience of immigration in Scotland (see de Lima and Wright, 2009 in this issue).

Poverty and inequality have emerged as key issues of concern since devolution. At first glance, there appears to be a high level of convergence in the approaches of Westminster and the devolved administrations in tackling poverty over the past decade. Under the Labour-led administrations, Blair’s (1999) commitment to eradicate child poverty by 2020 was endorsed by the Scottish Parliament. However, as Scott and Mooney (2009 in this issue) demonstrate, the Scottish administration has been severely limited in its capacity to address the fundamental causes of poverty. The crucial legislative areas of social security, tax credits and employment remain reserved to Westminster, meaning that policy-makers in Scotland are powerless to address the inadequate rates of benefits and wages that leave vulnerable citizens (including children) without sufficient income to afford the basic necessities. Although tax varying powers could be invoked to raise funds for more ambitious measures to raise incomes and provide services, these have not yet been utilised. However, SNP proposals to replace Council Tax with a local income tax could offer greater potential to raise income that could be redistributed according to different principles than those governing UK provision.

In their paper, Scott and Mooney also explore these issues in order to examine the extent to which Scottish policy measures can be considered as distinct and capable of delivering social justice outcomes. They find that while Scotland’s policy discourse under New Labour tended to emphasise social inclusion (in a more positive light than the Westminster concern with social exclusion), a less familiar and arguably more social democratic language of ‘solidarity’ has been introduced by the SNP-led government. This signals a greater concern with social equity and a conscious attempt to create a sense of cohesion around the idea of Scotland as a nation, which the SNP may well hope to exploit as a source of support for political independence.

Scott and Mooney also outline recent policy developments and highlight the broader focus of SNP anti-poverty policy, which seeks to address income inequality in the bottom three deciles, as well as to eradicate child poverty. It is this bold ‘Solidarity Target’ (Scottish Government, 2007, 2008a, 2008b) that Morelli and Seaman in their paper take as their starting point for analysis. Using annual British Household Panel Survey data for 1991–2005, Morelli and Seaman investigate the extent to which households in Scotland remained within the bottom three deciles. They find that there is a significant experience of ‘entrenched poverty’ in the bottom sections of the income distribution, with households being less likely to move out of poverty in Scotland than the rest of the UK. This highlights the fact that Scotland remains a widely and deeply unequal society. Households without children had even lower levels of mobility than those with children, raising serious doubts over the viability of the UK welfare-to-work strategy for tackling poverty in Scotland.

Similar concerns over the ability of policy matters remaining under the control of Westminster to deal adequately with social problems that have a particular Scottish

dimension are raised in the article by de Lima and Wright (this issue) who demonstrate the limitations of UK-wide immigration policy for addressing the needs of rural Scotland. De Lima and Wright argue that the combination of Scotland's physical and social landscapes create conditions and challenges that are different from the other parts of the UK. Historically, Scotland's declining population (due to out-migration and below-replacement level fertility rates, which fell further and faster than elsewhere in the UK) has been considered of primary concern to policy makers (Scottish Executive, 2004). The future success of Scotland's SNP-led economic strategy (Scottish Government, 2007) rests on the ability to sustain and improve on the record-breaking rise in population growth that occurred in 2007 (due to substantial in-migration as well as more births than deaths, GROS, 2008). However, as De Lima and Wright demonstrate, the recent influx of migrant workers from A8 countries represents a new, potentially less stable and permanent, pattern of migration that has been promoted by legislative change at supra-national EU level. In addition to this, flows of migration from outside Europe are controlled by the new UK-level immigration system, which was altered in 2008 to create a points-based system, which, unlike similar systems in Canada and Australia (cf. Wright, 2006), does not offer extra points to divert migrant workers to the areas most in need. Consequently, Scotland's economic success depends, at least in part, on migration trends and regulatory mechanisms that lie outside the sphere of influence of the Scottish Parliament. Immigration policy therefore serves as an important ground for testing the capabilities and boundaries of devolution.

How to balance tax and spend is a perennial issue for governments. Fiscal arrangements for Scotland have continued to attract a great deal of attention on several levels, an issue picked up by Viebrock here in her review of the key literature and debates, ranging from long-established controversy over the conventions for allocating the Scottish budget from Westminster (including politically charged debates about the use of North Sea oil revenues); the scope of the Scottish Parliament's tax varying powers; negotiations between the Scottish Parliament and local authorities (most recently in the light of new proposals for a local income tax); and individual income maximisation through benefit and tax credit take-up campaigns. There is no doubt that the extent of social welfare provision and any future moves towards independence are reliant on Scotland's ability to become self-sustaining economically.

One important issue that is attracting growing academic interest is the use of private finance to fund public projects in Scotland. Hellowell and Pollock (this issue) provide an in-depth analysis of this controversial method for funding projects such as new schools and hospitals. They identify the constraints and drivers of change in this field, highlighting new arrangements under the SNP-led administration and demonstrating that the cost of private capital is increasing relative to public funding. This suggests that the feasibility of relying on private finance may be limited in the long-term and thus raises questions over the on-going funding of public services in Scotland.

The themed section concludes with a review of key literature and research on social policy in Scotland since devolution by Viebrock, and a guide to useful sources from McCall.

## Note

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